

TAX HINTS - THE LIAISON LINK

To Promote Practitioner–IRS partnerships

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Welcome to Tax Hints-The Liaison Link

Welcome to the first Liaison Link, your guide to quarterly Tax Hints. You will still be able to enjoy the end of the year Tax Hints, but knowing the Tax Professional works 365 days a year, Liaison Link is your quarterly guide to what is up to date and crucial to your tax practice. In this issue you will enjoy learning about Henry O. Lamar, Commissioner of the Wage & Investment (W&I) Operating Division challenged with processing the tax returns of most of the country's taxpayers. You will be reminded of critical dates on the calendar over the next three months, as well as important news stories of interest to tax professionals. Liaison Link will inform you of staff changes at the IRS, as well as give you insightful information on who to contact when you have concerns or difficulties. It is designed to keep you informed on e-file enhancements, to make you aware of tax issues, problems and solutions as well as to challenge you with "taxing trivia." We hope you find Liaison Link a good addition to your tax knowledge resource. As Webster's defines *Liaison* as communication between different groups, our hope is that you will come to regard Liaison Link as the best source of communication between tax professionals – those within the IRS and those tax professionals in practice, both serving the American Taxpayer. We will work together for effective tax administration, we who administer the tax law and you, who are the guardians of the integrity of our tax system.



*Beanna J. Whitlock
Director,
Communications & Liaison
National Public Liaison*

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

IRS

Department of the
Treasury
Internal Revenue Service

www.irs.gov



Message from Henry Lamar, Commissioner Wage and Investment

I'm pleased to have this opportunity to address our tax practitioner partners, and I welcome the chance NPL has given me to provide a Wage and Investment (W&I) Division perspective for this first edition of the new Tax Hints newsletter. I'm looking forward to meeting many of you when I deliver the Commissioner's address at the IRS Tax Forums in San Antonio and New Orleans this summer.

W&I serves more than 122 million customers with 94 million returns—the majority of tax returns filed. You and your colleagues in the tax professional community prepare nearly half of those returns so you play a critical role in the success of the programs I lead. We are definitely partners in helping taxpayers comply with the tax laws in a vital and strong working relationship.

In addition to overseeing the development, distribution, and filing of most American's tax returns, here in W&I we also work on a growing number of other highly visible programs—tax benefit programs such as the Earned Income Tax Credit (EITC) and the Advance Child Tax Credit (ACTC), and compliance programs such as the Individual Taxpayer Identification Number (ITIN) program. I don't need to tell you,

there are many challenges in making sure that every taxpayer who is entitled to tax benefits like EITC and ACTC actually gets them, just as there are challenges in ensuring that ITINs are issued and used only for tax purposes. As you all know, all three of these programs saw substantial change last year as we worked to tighten compliance without unduly increasing the burden imposed on taxpayers. The suggestions, comments, and feedback we've received from our partners in the tax professional community have been invaluable as we continue administering these critical programs.

So it's truly a partnership between W&I and yourselves in the tax practitioner community; strong two-way partnership that works. No doubt next year will bring new challenges for W&I. But I'm confident that, with your continued active involvement and assistance, we will work through these challenges, whatever they may be. On behalf of W&I and all of IRS, I thank all of you in the practitioner community for your support in the past, and look forward to it in the future.

REMEMBER:

Treasury Department Circular No. 230 contains the rules governing the practice of attorneys, CPAs, enrolled agents, enrolled actuaries, appraisers and other persons representing taxpayers before the IRS. It authorizes the Director of practice to grant or deny enrollment and to institute disciplinary proceedings.

Henry Lamar began his IRS career more than 30 years ago in Atlanta, Georgia. He was selected for IRS's Executive Development Program in 1986 and since then has held executive positions in the districts, regions, and service centers in a wide range of program areas, including finance, data processing, and taxpayer advocacy



*Henry O. Lamar Jr.
Commissioner,
Wage & Investment*

Henry has received numerous awards for outstanding performance, including two Presidential Rank Awards. In 2002 he received the first Robert E. Wenzel Excellence In Service Award. This award was created to honor Bob Wenzel, a career IRS executive who served with distinction as Deputy Commissioner of Internal Revenue.

Rolling Renewal Schedule for Enrolled Agents

The Internal Revenue Service has announced the schedule for enrolled agents to renew their enrollment under section 10.6(d)(1) of the Regulations Governing Practice Before the Internal Revenue Service, Treasury Department Circular No. 230, 31 CFR part 10. Individuals enrolled to practice before the Internal Revenue Service who received their initial enrollment on or before November 1, 2003 and who have a Social Security Number that ends with the numbers 0,1,2, or 3 (affected enrolled agents) must apply for renewal of enrollment between **June 1, 2004** and **July 31, 2004**.

Previous delays had been announced by the Internal Revenue Service in the renewal of enrollment for affected enrolled agents in Announcement 2003-68, 2003-45 I.R.B 1050. This delay in the renewal of enrollment did not impact an affected enrolled agent's current status as an enrolled agent in good standing. This delay also did not affect the number of hours of continuing professional education required for renewal or the time period within which these hours

must be completed.

Affected enrolled agents must apply for renewal of enrollment by submitting to the Internal Revenue Service a completed Form 8554, *Application for Renewal of Enrollment to Practice Before the Internal Revenue Service*. This form can be downloaded at www.irs.gov. Enrollment cards will be issued shortly after applications for renewal of enrollment are processed by the Office of Professional Responsibility.

Enrolled agents not affected by this announcement should refer to sections 10.6(d)(2) and (3) of Treasury Department Circular No. 230 (July 26, 2002) to determine the period within which to apply for renewal of enrollment. Additional changes, if any, to the renewal periods for enrolled agents not affected by this announcement will be published in the Internal Revenue Bulletin and on the Office of Professional Responsibility webpage at:

<http://www.irs.gov/taxpros/agents/index.html>

IRSAC/IRPAC Open Season



The Internal Revenue Service will soon be requesting nominations for members to serve on both the Internal Revenue Service Advisory Council (IRSAC) and the Information Reporting Program Advisory Committee (IRPAC).

The IRSAC's primary purpose is to provide an organized public forum for IRS officials and representatives of the public to discuss relevant tax administrative issues. The group suggests operational improvements, offers constructive observations about IRS's current or proposed policies, program, and procedures, and advises the IRS on particular issues having substantive effect on federal tax administration.

The IRPAC advises the IRS on information reporting issues of mutual concern to the private sector and the federal government. The committee works with IRS executives to provide recommendations on a wide range of information reporting issues. Membership is balanced to include representation from the taxpaying public, the tax professional community, small and large businesses, state tax administration, and the payroll community.

Applicants must have a strong tax or business background, excellent communications skills, practical experience and knowledge, and the ability to interact in a diversified environment. A qualified applicant's background should include several of the following:

- Application of tax law expertise to resolve complex tax issues;
- Development and implementation of customer service initiatives and tools, systems management and improvement, and change management;
- Establishment of successful strategic partnerships; and,
- Demonstrable ability to examine situations from a "macro" perspective.

For additional information and to obtain an application package, please contact Lorenza Wilds of National Public Liaison at 202-622-6440.

Important News from Wage and Investment

The IRS has issued over 7 million ITINs since 1996. However, about one-quarter of the ITINs issued for tax return purposes never actually find their way onto a tax return.

ITINs Are For Tax Administration Only

The Internal Revenue Service has strengthened controls over the issuance of Individual Taxpayer Identification Numbers (ITINs). These changes will help ensure that ITINs are issued for their intended tax administration purpose and not for other reasons, such as providing personal identification. Our intent is to help ensure that applicants can continue to obtain ITINs without undue burden.

Federal law requires individuals with U.S. income, regardless of immigration status, to pay U.S. taxes. The ITIN, a nine-digit number that begins with the number 9, was created for use on tax returns for those taxpayers who do not qualify for a Social Security Number. The IRS has issued over 7 million ITINs since 1996. However, about one-quarter of the ITINs - issued for tax return purposes - never actually find their way onto a tax return.

Use the new Form W-7

ITIN applicants must now use the December 17, 2003 version of Form W-7, *Individual Taxpayer Identification Number Application*, and must provide proof that the ITIN will be used for tax administration purposes. All applicants requesting an ITIN to file a tax return must file their original return *with the W-7*. Please also be aware of the following changes related to ITINs.

- ITIN applications without proof of need for tax administration purposes will be rejected.
- There are now 13 documents (down from 40) that are acceptable as proof of identity when applying for an ITIN.
- ITINs are now issued via an authorization letter instead of a card to avoid any possible similarities.

IRS wants your comments

We will continue to help individuals who seek ITINs to comply with the tax laws. IRS will continue to review ways to improve Form W-7 and will conduct a public comment period until June 15, 2004. We value your insight and experience in working with clients so please share your comments with us regarding this initiative. Comments may be submitted electronically to:

www.notice.comments@irscounsel.treas.gov

Alternatively, comments may be sent to:

- CC:PA:LPD:PR (Notice 2004-1), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.
- Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (Notice 2004-1), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224.

Additional information is available at IRS.gov where English and Spanish versions of the Form W-7 are available. A list of frequently asked questions (FAQs) also is available.

IRS Announces Senior Leadership Appointments



- On March 15, Bruce Ungar named as Deputy Commissioner, Large and Mid-Sized Business Division.
- On March 15, Frank Keith named as Chief, Communications and Liaison.
- Effective June 1, Kevin M. Brown will become the Commissioner, Small Business/Self-Employed Division replacing Dale Hart, who is retiring.
- Effective June 1, Evelyn Petschek will be replacing Kevin M. Brown as Chief of Staff to the Commissioner.
- On March 22, Frank Y. Ng suc-

ceeded Tom Wilson as the Industry Director for Communications, Technology and Media, Large and Mid-Size Business Division.

- On March 22, Kathy Petronchak was named as the Director of Pre-Filing and Technical Guidance, Large and Mid-Size Business Division.



**"ALL THE WAY
TO
October 15"**

2004 IRS Nationwide Tax Forums

The IRS Nationwide Tax Forums offer the latest word from the IRS on tax law, compliance and tax practice and procedure. The tax professional community is offered a one-stop shop with opportunities to attend seminar presentations and workshops, as well as focus groups with subjects from ethics and professional conduct to how to enroll and participate in e-file and the new e-services. Participants consult with software vendors and tax service providers and have the opportunity to learn about benefits of professional organizations such as the American Institute of Certified Public Accountants (AICPA), National Association for Enrolled Agents (NAEA), National Association of Tax Professionals (NATP), National Society of Tax Professionals (NSTP), and National Society of Accountants (NSA).

Dates and Locations for the 2004 Forums :

Atlantic City, NJ Sheraton Atlantic City Two Miss America Way Atlantic City, NJ 08401 Room Rate: \$149.00	July 6 – 8, 2004	Orlando, FL The Peabody Orlando 9801 International Drive Orlando, FL 32819 Room Rate: \$95.00	July 20 – 22, 2004
Minneapolis, MN Hyatt Regency Minneapolis 1300 Nicollet Mall Minneapolis, MN 55403 Room Rate: \$110.00	August 3 – 5, 2004	New Orleans, LA New Orleans Marriott 555 Canal Street New Orleans, LA 70130 Room Rate: \$93.00	August 17 – 19, 2004
San Antonio, TX Marriott Rivercenter 101 Bowie at Commerce St. San Antonio, TX 78205 Room Rate: \$91.00 (800) 648-4462	August 31 – September 2, 2004	Las Vegas, NV Rio All Suites Hotel 3700 W. Flamingo Las Vegas, NV 89103 Room Rate: \$110.00 (888) 746-7482	September 14 – 16, 2004

This year for the first time! Registration for the 2004 IRS Nationwide Tax Forums will be on-line! For further information check out www.irs.gov



Worth a Second Look

IR-2003-142, "IRS Names 11 New Members to IRSAC"

- The Internal Revenue Service announced the selection of 11 new members for the Internal Revenue Service Advisory Council (IRSAC). These appointees will join 11 returning members who are in the second year of a three-year term.

<http://www.irs.gov/newsroom/article/0,,id=118879,00.html>

IR-2003-143, "IRS Names Eight New Members to IRPAC."

- The Internal Revenue Service announced the selection of eight new members for the Information Reporting Program Advisory Committee (IRPAC). The appointees will join 10 returning members who are in the second year of a three-year term.

<http://www.irs.gov/newsroom/article/0,,id=118881,00.html>

IR-2004-2-"Tax Filing Season Opens with Debut of 1040 Central".

- Taxpayers pondering a question, taxpayers searching for a form or taxpayers looking for their refund now can go to just one place: 1040 Central at IRS.gov.

<http://www.irs.gov/newsroom/article/0,,id=119092,00.html>

IR-2004-3-"IRS Plans New Steps to Improve Operations, Shift Jobs to Front-Line Positions".

- As part of an ongoing program to improve management of the Internal Revenue Service, IRS Commissioner Mark W. Everson announced a series of new steps to improve agency operations. These changes are designed to create operational efficiencies that will allow the IRS to add more enforcement positions in 2005.

<http://www.irs.gov/newsroom/article/0,,id=119136,00.html>

IR-2004-020- "IRS Launches Web Section on Abusive Tax Shelter Schemes Involving Employee Retirement Plans".

- As part of its effort to combat abusive tax shelter schemes and transactions, the Internal Revenue Service launched a new section on IRS.gov containing important information about abusive schemes involving employee retirement plans. The site is intended to warn promoters and plan professionals about the consequences of participating in such schemes

<http://www.irs.gov/newsroom/article/0,,id=120358,00.html>

IR-2004-022- "IRS Gives Investors the Benefit of Pending Technical Corrections on Qualified Dividends."

- The Treasury Department and the Internal Revenue Service have agreed to make certain provisions of the Tax Technical Corrections Act of 2003 related to dividend income available to taxpayers in advance of its passage. These provisions will be of particular interest to certain mutual fund shareholders and other investors who are completing their 2003 tax returns.

<http://www.irs.gov/newsroom/article/0,,id=120514,00.html>

IR-2004-26, "IRS Updates the Dirty Dozen for 2004: Agency Warns of New Scams:

- In an update of an annual consumer alert, the Internal Revenue Service urged taxpayers to avoid falling victim to one of the "Dirty Dozen" tax scams and a variety of other schemes. In the new 2004 ranking, several new scams have reached the top of the consumer watch list, including abusive trusts and the "claim of right" doctrine.

<http://www.irs.gov/newsroom/article/0,,id=120803,00.html>

IR-2004-27-- Interest Rates Increase for the Second Quarter of 2004.

- The Internal Revenue Service announced that interest rates will rise by one percentage point for the calendar quarter beginning April 1, 2004.

<http://www.irs.gov/newsroom/article/0,,id=120820,00.html>

IR-2004-29 -- Use of "Where's My Refund?" Service Up Sharply"

- Taxpayers have made about 9.8 million visits to the "Where's My Refund?" service so far this tax season, almost twice as many as a year ago, according to the Internal Revenue Service. This reflects activity through Feb. 29.

<http://www.irs.gov/newsroom/article/0,,id=120860,00.html>

IR-2004-31, "IRS Issues Guidance on Recoverable Reserves".

- The Internal Revenue Service today issued new guidance on the computation of total recoverable units for purposes of computing cost depletion under Section 611 of the Internal Revenue Code. This guidance was developed under the Industry Issue Resolution program (IIR).

<http://www.irs.gov/newsroom/article/0,,id=120930,00.html>



Worth a Second Look



Check and Check Again

IR-2004-35 Statement of Joint Cooperation Regarding Abusive Tax Transactions

- The Commissioners of the tax administrations of Australia, Canada, the United Kingdom and the United States have begun discussions to form a joint task force to increase collaboration and coordinate information about abusive tax transactions.

<http://www.irs.gov/newsroom/article/0,,id=121227,00.html>

IR-2004-38- IRS Reminds Farmers How to Report Market Gain When Using Commodity Credit Corporation (CCC) Certificates to Facilitate Repayment of CCC Loans

- Farmers who pledge part or all of their production to secure a CCC loan may not be properly reporting market gain when they use CCC certificates in connection with paying off their loans, the Internal Revenue Service said today.

<http://www.irs.gov/newsroom/article/0,,id=121355,0.html>

IR-2004-41, Stiff Court Penalties for Frivolous Appeals to Delay IRS Collections

- In the past year, the U.S. Tax Court imposed nearly \$136,000 in penalties on 23 taxpayers for pursuing frivolous cases to delay tax collections.

<http://www.irs.gov/newsroom/article/0,,id=121380,0.html>

IR-2004-42, IRS Warns of "Corporation Sole" Tax Scam.

- The Internal Revenue Service issued a consumer alert advising taxpayers to be wary of promoters offering a tax evasion scheme that misuses "Corporation Sole" laws. Promoters of the scheme misrepresent state and federal laws intended only for bona-fide churches, religious institutions and church leaders.

<http://www.irs.gov/newsroom/article/0,,id=121566,00.html>

IR-2004-IRS Introduces e-file for Corporations, Exempt Organizations.

- For the first time, corporations and tax-exempt organizations have the option of filing their annual income tax and information returns electronically, the Internal Revenue Service announced.

<http://www.irs.gov/newsroom/article/0,,id=121573,00.html>

Every year, the IRS sends out error notices which cost taxpayers and return preparers time and money to identify; and then they must send corrected information to the IRS.

The most common errors on paper form 1040s prepared by paid preparers so far during filing season 2004 were:

- Failed to subtract the advanced child tax credit payment from the total credit amount
- Dependents last name didn't match SSA or our records. We didn't allow the exemption..
- Child tax credit was figured incorrectly.
- Additional child tax credit from Form 8812 was incorrectly computed or transferred to the return.
- We computed Rate Reduction Credit on your 2001 tax return.
- EITC was figured or entered incorrectly..
- Child's SSN and/or name didn't match SSA or our records. EITC was changed..
- Spouse's SSN or ITIN and/or name didn't match SSA or our records. Spouse's personal exemption wasn't allowed..
- Child(ren)'s age exceeded the limit. Child tax credit and/or additional child tax credit was adjusted.
- Based on information reported, we refigured the tax using the filing status for a single person.

What's the easiest way to avoid such errors? **File Electronically!** When returns are filed electronically, simple checks are made by the system to insure such errors are not present. Return preparers are notified immediately of mismatches, and corrections can be made while the paperwork is readily available.

You can also cut down significantly on those filing errors by e-filing your **business tax forms**:

- 941
- 1065
- 1120
- 990



E-file surpassed 50 million returns on April 15th.



DOJ/IRS Practitioners Held to a Higher Standard

FIND IT ALL AT 1040 CENTRAL

If you're searching for a form or looking for a client's refund, you can now go to just one place: *1040 Central* at IRS.gov/.

This new page is designed specifically for individual taxpayers and for the tax professionals helping them. It pulls together most of the step-by-step information needed to prepare and file a return—and check on a refund.

Visit the Tax Professional's Page at
www.irs.gov/

Did you know that the drafts of most major tax forms can be seen on the Tax Professional's Page months before they are officially released?

Did you know that you will also find information that will help you work with the IRS more effectively, like how to be an Authorized IRS e-file Providers.?

A wealth of information is waiting for you, so: **Don't delay, visit today!**

TIGTA HOTLINE

The IRS expects its employees to conform to the highest standards of integrity. If you have reason to believe that an IRS employee is engaging in misconduct, call:

1.800.366.4484

TUESDAY, MARCH 2, 2004 FEDERAL COURT BARS TENNESSEE MAN FROM GUARANTEEING TAX REFUNDS AND MISREPRESENTING HIS CREDENTIALS

- Daniel Gleason Sells "Tax Toolbox"
http://www.usdoj.gov/tax/04_tax_130.htm the information:

TUESDAY, MARCH 9, 2004 JUSTICE DEPARTMENT SUES TO SHUT DOWN ALLEGED "WAREHOUSE BANKING" SCAM

- Complaint Alleges Los Angeles-Area Man Helps Customers Hide Income and Assets from IRS
http://www.usdoj.gov/tax/04_tax_151.htm

THURSDAY, MARCH 11, 2004 FEDERAL COURT HALTS TAX SCAM INVOLVING SHAM TRUSTS

- Promoter Ordered to Give Customer List to Justice Department
http://www.usdoj.gov/tax/03_tax_720.htm

TUESDAY, MARCH 16, 2004 ALLEGED TAX-SCAM PROMOTER SENT TO JAIL

- California Man Found in Contempt of Court for Failing to Turn Over Company Records
http://www.usdoj.gov/tax/04_tax_151.htm

TUESDAY, MARCH 16, 2004 FEDERAL COURT PERMANENTLY BARS MICHIGAN MAN FROM SELLING BOGUS TRUSTS AND PREPARING TAX RETURNS

- Robert Mosher Also Barred from Preparing Returns and Representing Customers before IRS
http://www.usdoj.gov/tax/03_tax_588.htm

TUESDAY, MARCH 23, 2004 ENJOINED TAX-SCAM PROMOTER SENT TO JAIL

- Dallas Man Found in Contempt of Court for Failing to Turn Over Customer List
http://www.usdoj.gov/tax/04_tax_151.htm

MONDAY, MARCH 29, 2004 JUSTICE DEPARTMENT SUES TO STOP NATIONWIDE TAX SHELTER INVOLVING FALSE CHURCH STATUS

- Suits filed in California, Colorado, Oklahoma, Missouri and North Carolina
http://www.usdoj.gov/opa/pr/2004/March/04_tax_192.htm

TAX TALK TODAY

January 2004: Earned Income Tax Credit (EITC) and Other Key Tax Credits For Individuals

EITC Director David Williams discussed the EITC rules, including how to determine if your client is eligible for the credit and what to do if your client received the required EITC certification forms. Other issues covered were the Health Coverage Tax Credit and the eligibility requirements for certain displaced workers and retirees.

February 2004: Tax Shelter Enforcement

This show presented a straight forward way to explain to your clients why they should avoid schemes and scams that could lead to civil and/or criminal investigations. The discussion included information about the IRS's Abusive Schemes Lead Development Center (LDC) and what the IRS does with the information collected on abusive tax avoidance transactions. The show explained the new disclosure regulations relating to reportable transactions and what must be disclosed when filing the 2003 tax return.

March 2004: E-Services: How Will They Work?

The IRS demonstrated the Electronic Account Resolution (EAR) prototype system for practitioners. Practitioners learned what the suite of e-services is and who is eligible to participate. The IRS also demonstrated e-services that are currently in the final testing stages including online registration, online account registration, disclosure authorization,

May 2004: IRS Examination Program Changes

This program will address new procedures for determining the scope of the examination, practitioner involvement in setting the schedule for conducting the exam and the increased role that IRS managers will play in the entire examination process. Examination procedures will now be a little different because the IRS is making changes to make tax audits more efficient and complete the process faster.

June 2004: Collection Program Update

This is the program to watch if you want to know the latest directions to IRS field collection officers. Recently the IRS has issued new guidance which has a big impact on how you will represent your clients in collection cases. Top IRS Collection managers and practitioners cover these changes and give you pointers to help you help your clients through the Collection process.

Did you miss these programs? To view it in the Tax Talk Today archive go to: <http://www.taxtalktoday.tv/index.cfm?page=8.532>

Monthly web casts are the second Tuesday of each month from 2 p.m. to 3 p.m. ET.
See: <http://www.taxtalktoday.tv/viewpage.cfm?pgname=8.71>

Shows from Tax Talk Today in 2003

December 9, 2003

- [Preview of 2004 Filing Season](#)

November 13, 2003

- [Executive Compensation](#)

October 14, 2003

- [IRS Collection—The Times Are a'Changing](#)

September 9, 2003

- [Professional Responsibility for Tax Practitioners](#)

July 8, 2003

- [Everything's Electronic](#)

June 10, 2003

- [What Business Entity Are You? - Oh, the Difference It Makes!](#)

May 13, 2003

- [The Wonderful World of Withholding](#)

Tax Calendars for 2004

The second quarter of a calendar year is made up of April, May and June

April				
12th	General Tax Calendar	Employees who work for tips	If you receive \$20 or more in tips during March, report them to your employer	You can use Form 4070.
12th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method	Deposit the tax included in amounts billed or tickets sold during the first 15 days of March.	
14th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 16 days of March.	
15th	General Tax Calendar	Individuals	File a 2003 income tax return (Form 1040, 1040A, or 1040EZ) and pay any tax due.	If you want an automatic 4-month extension of time to file the return, file Form 4868, <i>Application for Automatic Extension of Time To File U.S. Individual Income Tax Return</i> , or you can get an extension by phone or over the Internet if you pay part or your entire estimate of income tax due with a credit card. Then, file Form 1040, 1040A, or 1040EZ by August 16. If you need additional 2-month extension, file Form 2688, <i>Application for Additional Extension of Time to File U.S. Individual Income Tax Return</i> , as soon as possible, so that your application can be acted on
15th	General Tax Calendar	Household employers	If you paid cash wages of \$1,400 or more in 2003 to a household employee, you must file Schedule H. If you are required to file a federal income tax return (Form 1040), file Schedule H with the return and report any household employment taxes. Report any federal unemployment (FUTA) tax on Schedule H if you paid total cash wages of \$1,000 or more in any calendar quarter of 2002 or	

Tax Calendars for 2004

The second quarter of a calendar year is made up of April, May and June

April (cont)				
15th	General Tax Calendar	Individuals	If you are not paying your 2004 income tax through withholding (or will not pay in enough tax during the year that way), pay the first installment of your 2004 estimated tax.	Use Form 1040-ES. For more information, see Publication 505 .
15th	General Tax Calendar	Partnerships	File a 2003 calendar year return (Form 1065). Provide each partner with a copy of Schedule K-1 (Form 1065, <i>Partner's Share of Income, Credits, Deductions, etc.</i> , or a substitute Schedule K-1.	If you want an automatic 3-month extension of time to file the return and provide Schedule K-1 or a substitute Schedule K-1, file Form 8736. Then file Form 1065 by July 15. If you need an additional 3-month extension, file Form 8800
15th	General Tax Calendar	Electing large partnerships	File a 2003 calendar year return (Form 1065-B).	If you want an automatic 3-month extension of time to file the return, file Form 8736. Then, file Form 1065-B by July 15. If you need an additional 3-month extension, file Form 8800. See March 15 for the due date for furnishing Schedules K-1 or substitute Schedules K-1 to the partners.
15th	General Tax Calendar	Corporations	Deposit the first installment of estimated income tax for 2004.	A worksheet, Form 1120-W, is available to help you estimate your tax for the year.
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax	If the monthly deposit rule applies, deposit the tax for payments in March	
15th	Employer's Tax Calendar	Non-payroll withholding	If the monthly deposit rule applies, deposit the tax for payments in March.	
15th	Employer's Tax Calendar	Household employees	If you paid cash wages of \$1,400 or more in 2003 to a household employee, you must file Schedule H. If you are required to file a federal income tax return (Form 1040), file Schedule H with the return and report any household employment taxes. Report any federal unemployment (FUTA) tax on Schedule H if you paid total cash wages of \$1,000 or more in any calendar quarter of 2002 or 2003 to household employees. Also report any income tax you withheld for your household employees.	For more information, see Publication 926 .

Tax Calendars for 2004

The second quarter of a calendar year is made up of April, May and June

April (cont)

27th	Excise Tax Calendar	Communications and air transportation taxes under the alternative	Deposit the tax included in amounts billed or tickets sold during the last 16 days of March.	
29th	Excise Tax	Regular method	Deposit the tax for the first 15 days of	
30th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax	File Form 941 for the first quarter of 2004. Deposit any under-posted tax (if your tax liability is less than \$2,500, you can pay it in full with a timely filed return.) If you deposited the tax for the quarter in full and on time, you have until May 10 to file the return.	
30th	Employer's	Federal unemploy-	Deposit the tax owed through March if	
30th	Excise Tax Calendar	Form 720 taxes	File Form 720 for the first quarter of 2004.	
30th	Excise Tax Calendar	Wagering tax	File Form 730 and pay the tax on wagers accepted during March.	
30th	Excise Tax Calendar	Heavy highway vehicle use tax	File Form 2290 and pay the tax (or the first installment for vehicles first used in March.	

May

10th	General Tax Calendar	Employees who work for tips	Social security, Medicare, and withheld income tax	You can use Form 4070.
10th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax	File Form 941 for the first quarter of 2004. This due date only applies if you deposited the tax for the quarterly in full and on time.	
12th	Excise Tax Calendar	Communications and air transportation taxes under the alternative	Deposit the tax included in amounts billed or tickets sold during the first 15 days of April.	
14th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 16 days of March.	
17th	Employer's Tax Calendar	Social security, Medicare, and withheld income	If the monthly deposit rule applies, deposit the tax for payments in April.	
17th	Employer's Tax Calendar	Non-payroll withholding	If the monthly deposit rule applies, deposit the tax for payments in April.	

Tax Calendars for 2004

The second quarter of a calendar year is made up of April, May and June

May (cont)

26th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the last 16 days of April.	
28th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the first 15 days of May.	

June

1st	Excise Tax Calendar	Wagering tax	File Form 730 and pay the tax on wagers accepted during April.	
1st	Excise Tax Calendar	Heavy highway vehicle use tax	File Form 2290 and pay the tax for vehicles first used in April.	
10th	General Tax Calendar	Employees who work for tips	If you receive \$20 or more in tips during May, report them to your employer.	You can use Form 4070.
10th	Excise Tax Calendar	Communications and air transportation taxes under the alternative	Deposit the tax included in amounts billed or tickets sold during the first 15 days of May.	
14th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 16 days of May.	
15th	General Tax Calendar	Individuals	If you are a U.S. citizen or resident alien living and working (or on military duty) outside the United States and Puerto Rico, file Form 1040 and pay any tax, interest, and penalties due. Otherwise see <i>April 15</i> .	If you want additional time to file your return, file Form 4868 to obtain 2 additional months to file. Then, file Form 1040 by August 16. If you still need additional time, file Form 2688 to request an additional 2 months as soon as possible so that your application can be acted on before August 16. However, if you are a participant in a combat zone you may be able to further extend the filing deadline. See Publication 3 , <i>Armed Forces' ax Guide</i>
15th	General Tax Calendar	Individuals	Make a payment of your estimated tax. If you are not paying your income tax for the year through withholding (or will not pay in enough tax that way). Use Form 1040-ES. This is the second installment date for estimated tax in 2004.	For more information, see Publication 505 .

Tax Calendars for 2004

The second quarter of a calendar year is made up of April, May and June

June (cont)				
15th	General Tax Calendar	Corporations	Deposit the second installment of estimated income tax for	For more information, see Publication 505 .
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax	If the monthly deposit rule applies, deposit the tax for payments in May.	A worksheet, Form 1120-W is available to help you estimate.
15th	Employer's Tax Calendar	Non-payroll withholding	If the monthly deposit rule applies, deposit the tax for pay-	
25th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the last 16 days in May.	
29th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the first 15 days of June.	
30th	Excise Tax Calendar	Wagering tax	File Form 730 and pay the tax on wagers accepted during May.	
30th	Excise Tax Calendar	Heavy highway vehicle use tax	File Form 2290 and pay the tax for vehicles first used in May. Also pay the installments for	
30th	Excise Tax Calendar	Floor stocks tax for ozone-depleting chemical (IRS No. 20).	Deposit the tax for January 1, 2004.	



Taxing Trivia and Quotes

Who sang?

If you drive a car, I'll tax the street.
 If you try to sit, I'll tax your seat.
 If you get too cold, I'll tax the heat.
 If you take a walk, I'll tax your feet.
 Taxman!
 Well, I'm the tax man.

See answer below

- Our Constitution is in actual operation; everything appears to promise that it will last; but nothing in this world is certain but death and taxes.
(Benjamin Franklin)
- I'm squared up with the USA. You see those bombers in the sky...Rockefeller helped to build them...So did I...I paid my income tax today.
(Irvin Berlin)

Answer:
The Beatles

Communications and Liaison, National Public Liaison

Let us hear from you: We welcome your comments. Please send them to the address below. We're sorry, but **Tax Hints-The Liaison Link** is only available for download from our Web site. We cannot provide printed copies.

**National Public Liaison
CL:NPL Room 7563 IR
1111 Constitution Avenue NW
Washington, DC 20224**

*public_liaison@irs.gov
(e-mail)*

Practitioner Priority Service—your first point of contact

Our Practitioner Priority Service is a professional support line **(1.866.860.4259)** staffed by IRS customer service representatives specially trained to handle practitioners' account questions.

Practitioner Priority Service is a toll-free, accounts-related service for all tax practitioners nationwide. It is the practitioner's first point of contact for assistance regarding taxpayers' account-related issues. The hours of service are weekdays, 7:30 a.m. until 5:30 p.m. local time (with exception of Alaska and Hawaii, which are Pacific Time) Questions regarding client's individual tax accounts (IMF) are handled by one of three campus sites:

- Brookhaven, NY
- Memphis, TN
- Philadelphia, PA

Questions regarding client's business accounts (BMF) are handled by two campus sites:

- Cincinnati, OH
- Ogden, UT

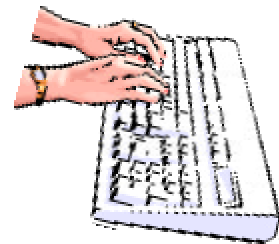
Calls are routed based on an evaluation of the lowest expected wait time. Issues outside the scope of the employees' authority are transferred or referred to the appropriate IRS functions.

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